Taylor, Robert Stewart

Address ... at the annual banquet of the Buffalo...

[Buffalo]

[1898]

97-84240-14
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

# BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

332
Z
v.60

Taylor, Robert Stewart, 1838-
Address at the annual banquet of the Buffalo merchants' exchange, March 9, 1898.
16 p. 23 cm.
Caption title.
[Buffalo, Buffalo Merchants' Exchange, 1898]
Volume of pamphlets.

ONLY ED



## TECHNICAL MICROFORM DATA

FILM SIZE: 35mm REDUCTION RATIO: 11:1 IMAGE PLACEMENT: IA IIA IB IIB

DATE FILMED: 11-11-97 INITIALS: AP

TRACKING # : 29457

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

# ADDRESS

OF

# ROBERT S. TAYLOR,

AT THE

## ANNUAL BANQUET

OF THE

## BUFFALO MERCHANTS' EXCHANGE,

MARCH 9, 1898.

---

### MONETARY REFORM THE DUTY OF THE HOUR.

The Indianapolis convention is destined to take its place as a progress mark in history. It is the greatest example so far exhibited in our country of a form of spontaneous political action, which has become and will continue to be necessary for the preservation of our free institutions. The people, who are the primary source of all power, are commonly happy in the enjoyment of their liberties, and busy with their affairs, and are not on the lookout for dangers that lurk behind the horizon. Their representatives in office, regarding themselves as agents and not principals in the business of law making and governing, are disposed to consider that they have done their duty when they have followed instructions. The result is, that we rarely provide far in advance against threatening dangers. We wait until they are at the door.

We have at the present moment an extreme instance of this element of weakness in our system. We are threatened with an immeasurable, indescribable disaster. I say immeasurable and indescribable because its like in extent and effect never occurred; it transcends all experience, and so defies all calculation. There have been depreciations of money in the world with great attending calamities; but they came on gradually. Men had time to get breath as they went down the rapids. Free silver means going over Niagara. History has no record of any such catastrophe. If we could imagine all the people of the United States and all their property loaded on one vast railroad train going at full speed over an embankment we would scarcely exaggerate the ruin which must

accompany such a financial revolution as a slump to free silver would be to-day.

This threatened disaster, however, is not in sight. The day is fair; business improves; the people are intent on their various concerns, and all goes well in external appearance. The representatives at Washington of those who disbelieve in free silver have recorded their votes against the Teller resolution in the Senate, and voted it down in the House. There they pause amid the plaudits of their constituents with the air of men who have done their whole duty.

Eight months hence a new House of Representatives will be elected and legislatures will be chosen that will elect one third of the membership of the Senate. For so many years past that it seems almost to have become a law of political action the party which has come into power at the presidential election has suffered a reverse two years later. And since 1880 no party has triumphed twice in succession at a presidential election. The vote on the Teller resolution was a roll call. It showed the free silver party of 1896 still in line under its old banner. If the clerk's roll call in the House at the assembling of the Fifty-sixth Congress shall show a majority of members holding that view their first act will be to take that resolution from the files of the present Congress and pass it, if they have the courage of their avowed convictions. It will want then but that swing of the political pendulum two years later which has occurred four times without a break to complete the disaster which will then be seen to have been stealthily approaching for more than twenty years. By whom and how can those consummations, most devoutly to be deprecated, be prevented?

### BLIND CONFIDENCE.

The vast business of the country goes on upon an assumed gold basis. Since thirty days ago five billions of dollars have changed hands at the clearing houses in forms of credit supposed to represent gold. The only warrant for that supposition is the fact that one William McKinley and one Lyman J. Gage have been paying certain obligations of the United States in gold. They were not constrained to that form of payment by any law of Congress. There is nothing in the law by which they can justify that course of conduct except a general policy expressed in absurd and self-contradictory terms in the law of 1893, to the effect that it is the "policy of the United States to continue the use of both gold and silver as standard money"—the silver dollar was then worth sixty cents, but was "standard money," all the same—"and to coin both gold and silver into money of equal intrinsic and exchangeable value, etc." Think of it; Congress solemnly declaring



its purpose to coin gold and silver dollars of equal "intrinsic" value at 16 to 1. I have often wondered whether they kept a dictionary at the Capitol in those days.

In the exercise of their judgment as to their duty between this broad statement of policy, and the express provision of the law of 1878 making silver dollars legal tender for all debts, public and private, they have been and are maintaining gold payment of the government's obligations. Considering that these two men will have control of the public treasury for only a few fleeting months, and that their successors will have equal liberty of judgment with them as to their powers and duty under the law, and colorable if not indisputable legal right to pay the government's obligations in silver dollars only; and that there are chances — ever so many chances — that men holding that view may succeed the present President and Secretary, it is apparent that in the vast and expanding business of to-day we are betting more money on luck than ever was at stake before in this risky world. We have all the nerve of a party of voyagers who should set sail from Buffalo to Liverpool in one of the fat-sided little canal boats which lie at your wharves. They might land in safety on the other side, or they might string their venturesome necks on the Atlantic cable.

### THESE DANGERS UNSEEN.

The great body of the good people of our country are unconscious of these dangers. You can see them — you men of affairs, members of the Merchants' Exchange of Buffalo, with your keener insight, your more comprehensive knowledge and larger experience of business and monetary conditions. From this coigne of vantage you can see the great multitude of your brethren, like harvesters in an Alpine valley, singing at their work, unaware of the storm that gathers behind the mountain.

This is the time I spoke of when a free people and freely elected representatives are not enough for the highest security of the common weal; when to these must be added the watchfulness, the thought, the activity of those to whom it is given to see the threatening danger afar off. I believe that if it had not been for the business men's movement which took form in the Indianapolis convention there would have been no serious consideration of the money question by the people or Congress at this time, and we would have floated into the campaign of 1898 as carelessly as men sometimes float down the smooth-flowing river which leaves the foot of your city; and possibly with a like end of our journey. That movement has aroused the attention of the country as nothing else could. It has set men to thinking. It has reached the Capitol. It may bear fruit in saving legislation.

## THE PLAN.

It may be well to say for the benefit of any one present who has not followed the matter closely that the Indianapolis convention was a meeting of delegates, numbering about three hundred, from Boards of Trade, Chambers of Commerce and like organizations throughout the United States, who met at Indianapolis in January, 1897. The Monetary Commission was a body of eleven men appointed by the authority of that convention to formulate a plan of currency reform to be submitted to the convention and through it to the country and Congress. The plan of which I am to speak is the scheme prepared by that commission and reported to and approved by that convention, which reassembled at Indianapolis in January of the present year to hear the report and take action on it.

As reported by the commission this plan is stated in the orthodox number of thirty-nine independent propositions. As set forth in the bill pending in the House it occupies forty-six sections. To do it full justice it must be considered as a whole. It is intended as the foundation of a complete and symmetrical system of finance; every part of it has some relation to every other part and until these inter-relations and dependencies are adequately understood and appreciated just criticism of any one part or feature is not possible. But to enter in detail upon so elaborate a scheme on an occasion like this is manifestly impossible. I must of necessity confine myself to its main features. These I shall present to you under five heads.

### I.

The first is the recommendation that it shall be provided by law that "all obligations of the United States for the payment of money now existing or hereafter to be entered into shall, unless otherwise expressly stipulated, be deemed and held to be payable in gold coin of the United States." This provision is intended to meet that anomalous and perilous situation which I have described, in which the great question of the standard — the most fundamental and important of all monetary questions, is left depending upon the judgment and disposition of one man: the President of the United States; and worse still it may be, upon the chances of his life. For four years following March 4, 1893, we were liable to go to a silver basis by the capsizing of a duck boat. Adlai Stevenson was Vice-President. I say this because, although the Secretary of the Treasury has immediate control of the operations of the Treasury, independently of the President, he is himself, in effect, under the control of the President; and so the President is at last the one man on whom this tremendous responsibility rests. The



simple legislation proposed by the commission will relieve him of this responsibility and relieve the country from the danger of trusting so much to one man.

The advocates of free silver denounce this part of the plan with furious violence, and for plain reasons. They want that door left open so that they may continue to say, as they have said, "The law authorizes the payment of the government's obligations in silver; why are they not so paid? Why is preference given to gold?" On that they make an appeal to simple-minded men which confuses them. And they want the law to stand as it is for the further reason that it will enable them, if they should elect a president to put their policy in immediate operation without a word of legislation. These same things are reasons why we want that door *closed.*

### II.

The second is the recommendation that what may be called the banking business of the government — its issue and redemption of notes of all kinds — shall be separated from its current fiscal operations in the collection of revenue and payment of expenses, and transferred to a division of the Treasury Department to be created for that purpose. This recommendation is the logical supplement of the first one. Its object is to put the Treasury of the United States in a position in which it shall certainly be able to perform its promise to pay all its obligations in gold. For that purpose there is to be transferred to the newly created Division of Issue and Redemption from the general funds in the Treasury a gold reserve equal to twenty-five per cent. of the outstanding demand notes and five per cent. of the silver dollars; the whole to constitute a common fund for the redemption of the notes and exchange for silver dollars on presentation, and to be used for no other purpose. This fund is to be maintained out of surplus revenue when that exists and is sufficient, and by sale of bonds when necessary. As the law now stands there is no provision for the redemption of the government's notes except the general balance in the treasury. Demands due and payable for current expenses necessarily have preference over outstanding notes not presented, and hence are paid as they accrue out of the general fund; and the greenbacks take their chances upon what remains. Our revenues are from their nature uncertain in amount. They are affected by tariff legislation, crops, business conditions and political agitations. It is the plainest matter of business in the world to put the fund designed for the redemption of the demand obligations out of reach of these uncertainties, with power in the Secretary of the Treasury to use all the resources of the government for its maintenance. And to

make sure that there shall never be any necessity to resort to the gold reserve to meet current expenses, it is recommended that authority be given to the Secretary of the Treasury to issue short-time debentures for that purpose in case of a temporary deficit of revenue.

III.

The third is the recommendation relating to the silver dollars. As to these the first step recommended is to stop coining them. The next is to put those which we have in such form and make such provision in regard to them that their parity with gold will be preserved without danger of forging them into another endless chain to pump gold out of the treasury. For the accomplishment of the first of these objects it is considered necessary to provide for the exchange of gold for silver dollars on demand at the Treasury. At the present time the current value of the silver dollar depends upon the vague declaration of policy contained in the act of 1893, to which I have referred, and a similar one less explicit in terms in the act of 1890. A great deal of mischief has been done by the complexity and obscurity of our monetary system. One of the most important steps toward its reformation is to make it on its face simple, honest, plain and straightforward. If we say to the people by law that, although the silver dollar is not intrinsically worth its face in gold, the government will make it so and keep it so by exchanging gold for it at any time upon the demand of any citizen, one mystery which has troubled the minds of many good people will be cleared up.

The second object just stated will be attained by taking in all our silver certificates of denominations exceeding $5, and reissuing them, in denominations of $5, $2 and $1; and retiring all other paper money under $10. We have now $354,000,000 in paper currency of $5 and under; and we have about 60,000,000 silver dollars in circulation in specie, making $414,000,000 money in circulation in denominations of $5, $2 and $1. This adjustment of denominations has come about as the result of the natural and automatic operation of business demands, and can safely be taken to represent the ordinary requirement of the country for money of this kind. The result, therefore, of this change would be to distribute our silver dollars by means of these small certificates throughout the entire country and keep them in use in the daily transactions of the people. It would be impossible to withdraw these small bills from this general circulation in large amounts in order to present them for redemption in silver and then present the silver for exchange in gold. Our total stock of silver dollars is a little over 450,000,000. In this way we can utilize nearly



the entire sum now, and very soon, doubtless, all of them, and in a way which will involve no danger of their being used to raid the treasury of gold, and at the same time preserve their parity with gold by a readiness to exchange gold for them.

IV.

The fourth is the recommendation that the demand obligations of the government now circulating as money shall be put in a course of gradual retirement. These obligations consist of the "greenbacks," amounting, in round numbers, to $350,000,000; and the Treasury notes of 1890 issued for the purchase of silver bullion to be coined into silver dollars, amounting, in round numbers, to $100,000,000; making, approximately, $450,000,000 in all. These notes constitute the principal basis of our paper money circulation, aside from the silver certificates. We have in addition about $200,000,000 of bank notes; but, as they are redeemable in government notes, they rest of necessity on the same foundation.

We have used the government's notes as money for thirty-five years. We have had time enough to find out whether they constitute good money or not. Their history has been a checkered one. As a means of support to the government during the civil war they served a great patriotic purpose. Many of the wisest financiers think we would have gotten along better without them, and by proper adjustment of our finances could have saved the country the incalculable losses which resulted from the suspension of specie payment. But we need not discuss the question now. They did the work; and they will be honored in the memory of the American people in return for that service. During the interval between the close of the war and the resumption of specie payment on January 1, 1879, they inflicted upon the country the ills which are inseparable from an irredeemable paper currency. After the resumption of specie payment until the free silver agitation threatened their repudiation and dishonor they enjoyed our confidence and served the wants of the people to our general satisfaction. The crisis of 1893, however, opened our eyes to a weakness which is inherent in them and produced a wide spread conviction that they ought to be retired and replaced by a safer kind of money.

We began the use of this form of money as a temporary expedient to bridge over a great emergency, and with the avowed purpose of retiring it as soon as the emergency was over. We did not do so, and have drifted along from year to year, temporizing with the question, never distinctly adopting it to be permanently retained, and yet never coming to the point of discarding it. The

time has come to look the question seriously in the face, and make up our minds and act. This is a great commercial country and ought to have the best form of money which the world can produce. We are passing through a transitional period. We are apparently entering upon a new era of business development. If there is a better money than the greenbacks, we ought to have it, and take the steps now to secure it. To go at large into a discussion of this great question is impossible within the time at my command. I can touch it only in the most general way.

The greatest evil of a currency, consisting of the demand notes of the government, is that it makes the maintenance of a fixed standard of value difficult and hazardous. It is unavoidably affected by all the uncertainties of politics. That vice is inherent in it and never can be removed. Our monetary system ought to be the most stable of all our institutions. It ought to be settled upon a basis of law as definite and permanent as our common school system. These conditions are not possible while our paper money is issued directly by the government. What we call the government is in fact the political party in power for the time being. Its peculiar principles and views are reflected in its administration of affairs. So long as parties differ on the money question the policy of the government in that respect will be liable to change with every reversal of party majorities. Such a currency can be kept good only by the instant readiness of the government to redeem it on demand. In some conditions that readiness is easy to maintain and in some very difficult, so that the government is under an incessantly varying burden in the maintenance of its demand obligations. In some conditions, such as the sudden oncoming of war without adequate preparation on our part to meet it, we are liable to be taken by surprise and suffer great disaster. We have been warned of the danger of this sort of currency by every secretary of the treasury who has held office since the close of the war; and these warnings have been emphasized by an experience which ought to make us heed them at last.

Men are apt to attach an importance to this question which does not belong to it. It is of no practical consequence to a man what form of paper money he uses, so it is absolutely good. Our national bank notes have served the wants of the people just as well as the greenbacks. Men do not notice one time in a thousand which of the two they receive or pay out. In point of fact they handle comparatively few greenbacks. The greater part of the money in active circulation, consists of silver certificates and bank notes. The greenbacks are locked up in the vaults of the banks, and other moneyed institutions. No argument whatever can be offered in favor of a government note circulation as against a bank



circulation equally good, except that it saves part of the interest on the public debt to keep it in the form of non-interest bearing demand notes. But when we deduct the interest upon the gold reserve and add that which we pay upon the bonds issued for its creation and maintenance, and the expense of keeping up the circulation, that saving amounts to but little. And when we consider the loss to which the people are liable if the government should fail from any cause to maintain gold payment of its obligations, and so precipitate the country to a silver basis, the saving of interest is a small thing compared with the injury to business which results from the perpetual uncertainty to which this situation subjects the country.

The plan of retirement recommended by the Commission is a gradual one. The notes are simply to be redeemed as presented, just as they are now. They are to be cancelled as paid to an extent not exceeding $50,000,000 within five years unless bank notes shall be issued to take their place. After five years they may be cancelled as paid to the extent of one fifth of the amount then outstanding per annum for five years longer. The process of retirement will, therefore, occupy ten years, assuming that the notes will all be presented within that time. It is quite certain, however, that with such secure provision made for their redemption in gold as the plan of the Commission recommends there will be very few greenbacks presented; and the more difficult problem will undoubtedly be to get them into the Treasury, and get a chance to pay them. The plan recommends that at the expiration of ten years those which are outstanding shall cease to be legal tender. But they will still be the valid obligations of the government payable in gold on demand.

## V.

The last recommendation to be mentioned in this brief outline is that relating to the banking system. It is quite obvious that any plan which contemplates a retirement of the greenbacks must include some adequate provision for the issue of bank notes to take their place. It is not fundamental to the general object of currency reform that the particular scheme of banking recommended by the commission shall be adopted. Any banking system which will secure to the people an adequate supply of notes, good beyond question, and possessing the necessary requisites of elasticity and adaptability to the wants of trade would answer the purpose. The scheme recommended by the commission was agreed upon as one, which, in the judgment of its members, meets the conditions more perfectly than any other. These conditions involve the following requirements:

1. The system must be national. The country could not afford to return to any system of state banks.

2. The notes must be perfectly good — as good as those of the existing national bank system have been.

3. The notes must not only be good in themselves, but equally acceptable and current in all parts of the country, no matter where or by what bank issued.

4. The system should be capable of a general and permanent growth in magnitude necessary to supply the people with a paper currency for indefinite years to come. It ought to be capable of development without further legislation to such proportions that it could furnish a billion dollars of currency.

5. At the same time it ought to have a capacity of automatic expansion and contraction in the volume of its circulation which will automatically adapt itself to the varying needs of business in different years, different seasons of the same year and different places.

6. It must be free to all alike, and should afford to the people of remote and thinly settled parts of the country as good opportunities, according to their wants, to engage in the business of banking and issuing notes to the extent of their necessities as are afforded to the oldest and wealthiest sections.

7. Whatever changes are to be proposed in the present system should come into effect gradually.

Our present system was a paragon of excellence in its early days. Its worst — almost its only defect now — is its lack of capacity to issue notes freely. This is in consequence of the provision of the law requiring them to use United States bonds as security for circulation. Those bonds are becoming scarce. There are less than $900,000,000 of them in existence. They are so high in price that they produce, net, less than three per cent. per annum in interest. The banks are permitted to issue in notes only ninety per cent. of the face value of their deposited bonds. As a result, the banks are going out of the note-issuing business. Those now in existence have the right under the law to issue about $540,000,000 of notes. They have actually out less than $200,000,000.

It is absolutely necessary in order to secure a banking system which will meet the requirements that I have stated, to provide some form of security for the circulating notes other than United States bonds. This is to be found, according to the plan proposed, first, in a cash guaranty fund which shall take the place of the bonds as an immediate resource for the payment of the circulating notes in case the bank issuing them fails to pay them.

Every bank is to deposit in gold with the Treasurer of the United States an amount equal to five per cent. of its circulating



notes. These deposits are to constitute a guaranty fund for the security of all notes issued. If any bank fails to pay its notes itself they are to be paid at once out of this fund. If the fund becomes impaired all the banks are to be assessed pro rata in proportion to their circulation to make it good. Immediately upon the failure of any bank and the payment of its notes out of the guaranty fund, the government is to proceed to collect the amount so paid out of the assets of the bank and thereby reimburse the guaranty fund. Hence the final liability of the other banks is limited to the deficiency which may remain after the assets of the failed bank have been exhausted. The experience we have had under the present system shows that the ultimate burden upon the guaranty fund will be very light. A small fraction of one per cent. per annum on the circulation of the banks would have paid all such losses during the thirty-five years in which the system has been in operation.

Such a system will give to the people just as good notes as those which have been issued under the present system. Every note will have behind it all the assets of all the banks. The notes will be *equally* good because they will all be payable in the event of the failure of the issuing bank, out of the same guaranty fund. In order to secure the automatic elasticity in volume, of which I spoke, it is recommended that a graduated tax shall be laid upon notes issued in excess of sixty per cent. of capital — two per cent. per annum up to eighty per cent. of capital and six per cent. from eighty to one hundred. A bank does business to make money. It will not keep in circulation notes which are unprofitable. In ordinary business conditions it will issue only to sixty per cent. of capital. Under active conditions it will issue twenty per cent. more and pay two per cent. per annum for the privilege. In a crisis and under extraordinary conditions it will be glad to pay six per cent. per annum for the privilege of issuing twenty per cent. more in addition for a short time — a few weeks or months. Under normal conditions the banks will not keep out permanently these heavily taxed issues ; but will retire them and get rid of the tax when the necessity for them has passed by. There will thus be imparted to the system a contractile as well as an expansive function.

This project is one which deserves, and no doubt will receive, much careful discussion in the progress of the movement for a better currency. But it has already received the endorsement of a great number — I should say the majority of bankers, business men, economists and thinkers upon these subjects. To those who do not feel competent to form a judgment upon such a subject for themselves, or do not wish to devote the study to it necessary to the formation of a sound judgment upon its merits, I can safely say

that it brings with it now the recommendation of a wider concentration of favorable opinion than has been accorded to any other proposal for the attainment of the same end.

### IN A NUTSHELL.

Fitting these parts together, we have this harmonious whole.

First, a *legal foundation* in the express requirement of law that the government shall uphold the gold standard in all its business.

Second, a *business foundation* resting on sure provision for the performance in fact of the obligations thus declared by law; this consisting in the creation of the Division of Issue and Redemption and the guarantees recommended for the maintenance of the gold reserve.

Third, an easy, practical and safe solution of the problem of what to do with the silver dollars.

Fourth, the gradual retirement of the greenbacks, running through a period of ten years.

Fifth, an improved, enlarged, liberalized, safe, flexible banking system, coming in gradually, as the greenbacks go out.

Taken together, these provisions make a complete and symmetrical scheme by which, as I believe, we would pass out of our present situation into one of permanent security and stability by a process so smooth and graduated that no one would discover by any disturbance of business or affairs that any change was going on. At the same time they are so far independent of one another that any one or more of them could be enacted separately and with benefit without including the others.

### THE PRACTICAL QUESTION.

Assuming that I may count on your approval of the general features of this plan, a matter more immediately important than a minute study of its details now claims our attention. It is the practical question — how shall the friends of currency reform best promote the cause at this stage of its progress? It is hardly imaginable that such a measure as the full plan of the commission can pass the Senate as now constituted. Is it worth while to attempt to secure the passage of all or any part of it in the House whatever the chances may be of concurrence at the other end of the capitol? And if we are to act in view of probable defeat in the Senate of any measure which may pass the House, what is it best to attempt in the House — the passage of the whole bill, or some part or parts of it? And if the latter, what parts?

Currency reform is not, in the ordinary use of words, a party issue. It has its friends in both the Democratic and the Republican parties. The Indianapolis convention, its executive committee, and



the monetary commission were all non-partisan. And yet the reform is one which can be effectively promoted, in its present stage, only through the machinery of the Republican party. Whatever conditions may supervene later, the banner of that reform must be carried in the campaign of 1898 by that party. So that the friends of the reform, whether members of that party or not, are all equally interested in the question of the policy to be pursued by it.

Any bill or resolution touching the money question passed by a Republican party vote in the House at its present session will become the Republican platform in the coming campaign. That fact is to my mind a sufficient reason why some action should be taken in the House. There will be no national convention this year to promulgate Republican party principles. The Republican platform of 1896 does not meet the occasion. I have no word of criticism for the patriotic men who framed it. They did that work in view of conditions then existing; and they did it well, in my opinion. But those conditions have changed. Silver has fallen more than fifteen per cent.; the general movement among the nations of the world towards the gold standard has been steadily advancing; the Wolcott Commission failed to received enough encouragement to warrant even the calling of a conference; and more than that, the people have grown into a clearer and stronger understanding of the subject. If the maintenance of a double standard on the basis of international free coinage was ever possible, it is so no longer. That part of the St. Louis platform which refers to it as an object to be promoted has been made obsolete by the march of events.

The story is told of a general who once presented a sword to a young officer. The recipient looked at it dubiously and said, "Is it not rather short?" "It may be," said the old warrior, "but one step forward will make it long enough."

The House of Representatives can give us this advantage of position — the one step forward. The commission's plan has been before the country two months. It has been widely and earnestly studied. It has served its first purpose of bringing together the advocates of currency reform. A bill embodying the plan was introduced in the House and referred to the Committee on Banking and Currency early in January. That committee has also before it three other currency bills — one by its chairman, Mr. Walker; one by another of its members, Mr. Fowler, and one embodying the recommendations contained in the report of the Secretary of the Treasury. The committee has been industriously at work upon these bills. The hearing and examination of members of the monetary commission before it occupied nearly two weeks. The subject was referred a number of days ago, to a sub-committee of

three to prepare a bill. It is understood that that sub-committee will report to the full committee very soon. The time has come to "push things," to arouse public sentiment to the importance of definite action by the House and convey that sentiment to the minds of its members.

### DIFFICULTIES TO BE OVERCOME.

We must not deceive ourselves with the expectation that there will be no obstacles in the way. There will have to be a magnanimous and patriotic surrender of strong individual preferences to make possible a concurrence by a majority of the full committee upon any bill. In the House there is difference of opinion as to the wisdom of doing anything, with an influence in the negative coming over from the Senate.

In this situation of affairs there is no occasion to criticize our representatives or senators. The Republicans in Congress are trustees of the interests of a great party. It is their ordinary duty to give effect to the declared policy of that party. To originate new and untried policies and commit the party to them is to assume extraordinary functions. We have no right to ask them to take such a responsibility without the backing of an intelligent, strong and active public opinion.

The question, therefore, comes back to us and demands an answer at our hands first. What reasons have we to give why our friends in the House should pass a bill which probably cannot become a law; which will raise an irritating issue for two years to come, and which will put on the Republican party the burden of its defense in the campaign of 1898?

### PLATFORM WANTED.

I have said that the St. Louis platform does not meet the situation. It does not unequivocally and unconditionally declare for the gold standard. It favors free coinage of silver by international agreement and pledges the party to promote such agreement; and thus expresses a preference for bimetallism. The argument most difficult to answer of all we had to deal with in 1896 was Bryan's reiterated gibe that we did not ourselves claim that the gold standard was a "good thing;" that we admitted that bimetallism was better. He and his followers have been quick to take advantage of the failure of the Wolcott Commission. They point out that international bimetallism is impossible. We must admit it. Then where are we?

We must surrender, or declare distinctly for the gold standard. To give that declaration authority it must come from our representatives at Washington. They alone can make it the party slogan. Without that we shall be all at sea, without unity of policy or platform. We can not suppress the question. We can not hide ourselves by sticking our heads in the sand. We can not slip in without being found out by the other side. To say nothing is the resource of weakness. A fighter grows in courage by the stimulus of his own activity; a dodger, never.



### BEGIN AT THE BOTTOM.

I would like to see the House of Representatives put first in its bill that which I regard as the fundamental recommendation of the commission — that the United States will pay its obligations in gold. Our adversaries have declared in the Teller resolution that the government may lawfully and honestly pay its debts in silver dollars. Let us declare in equally explicit terms that the government is bound by law and good conscience to pay its debts in gold, and will so pay them. That will give us a platform; nothing less will. And it will be a platform which ought to command the support of every voter who approved the financial plank of the Republican platform of '96. It will be the logical supplement of that platform. The men who elected William McKinley President were disbelievers in the silver standard. They were opposed to Bryan free silverism, because it meant the silver standard. If there was reason to disbelieve in the silver standard in '96 there is much more now. And the man who rejects the silver standard to-day must advocate the gold standard. There is no other. One of the two it must be.

So that to make the fight of '98 on the gold standard straight with such simple and direct proposals of legislation as will make its maintenance sure and remove that atrocious absurdity of the present situation which leaves the whole matter depending on the personal action of the President and his Secretary, will be but the normal outgrowth of the victory of '96. It will be the platform of '96 applied to the conditions of '98.

It would add no complication to the issue to include in the bill provision for the creation of a separate division in the treasury for the custody of the gold reserve, away from danger of encroachment for the payment of ordinary expenses; and to provide for the exchange of silver dollars for gold in the manner which I have explained. These are mere business precautions. They are necessary to make it sure that the government will in all contingencies be able and ready to redeem its demand obligations in gold, and to maintain the parity of our silver dollars with gold by simple, logical and secure means.

Such an act would include three of the five main features of the Monetary Commission's plan. It would meet the first and greatest

need of the situation, which is to fortify the standard. At the same time it would introduce no radically new question into the campaign. The act would be in itself so short and simple that it could be read and understood by the people for themselves. It would be seen to be only the harvesting of the fruit of the campaign of 1896. It would put upon our speakers no serious burden of investigation and discussion of new and difficult subjects. The same line of argument by which they demonstrated the folly of silver monometallism in 1896 would demonstrate the wisdom of the gold standard in 1898.

The President leads the way. His New York speech was a call to arms. "It will not suffice," he said, "for citizens nowadays to say simply that they are in favor of sound money. That is not enough. THE PEOPLE'S PURPOSE MUST BE GIVEN THE VITALITY OF PUBLIC LAW. BETTER AN HONEST EFFORT WITH FAILURE THAN THE AVOIDING OF SO PLAIN AND COMMANDING A DUTY." It is a pusillanimous army that dare not follow its victorious chief.

We can leave it to the Committee and the House to decide how much more than this they will put in the bill; less than this ought not to content us. And for this there ought to go up to Washington now and at once, a demand — respectful, courteous, considerate, but impressive in its earnestness,— by the press, by the mail, in person, for such action by the House of Representatives as shall marshal the Republican party under the victorious banner of money reform. That is, as I see it, The Duty of the Hour.

END OF
TITLE